



U.S. Department of Justice

Ronald C. Machen Jr.
*United States Attorney for the
District of Columbia*

*Judiciary Center
555 Fourth St. N.W.
Washington, D.C. 20530*

PRESS RELEASE

FOR IMMEDIATE RELEASE

Thursday, September 8, 2011

For Information Contact:

Public Affairs

(202) 252-6933

<http://www.justice.gov/usao/dc/news/2011/apr/news.html>

Former Title and Escrow Agent Sentenced to 31 Months in Prison Following Guilty Plea for Mortgage Fraud - Admitted to Stealing Money From Banks and Client Escrow Account -

WASHINGTON - Ronald Johannes Sneijder, 48, a former owner of a title and escrow company based in the District of Columbia, was sentenced today to 31 months in prison for carrying out a mortgage fraud scheme, announced U.S. Attorney Ronald C. Machen Jr. and James W. McJunkin, Assistant Director in Charge of the FBI's Washington Field Office.

The victims lost more than \$1.2 million as part of the long-term fraud.

Sneijder, of Washington, D.C., pled guilty to bank fraud in May 2011, ten days after his indictment, and was sentenced today by the Honorable Emmet G. Sullivan in the U.S. District Court for the District of Columbia. In addition to the prison term, the judge ordered the defendant to pay \$1,256,000 in restitution, to serve five years of supervised release, and to forfeit \$1,256,000 in a money judgment.

According to the statement of offense, signed by the defendant, Sneijder was the manager and majority owner of a title and escrow company known as Red Box Settlements, located in the 1600 block of U Street NW. On about January 13, 2004, Sneijder purchased a residence at 1325 Independence Avenue SE. About a month later, he refinanced the loan through Wells Fargo Bank, obtaining a home equity line of credit with a maximum credit limit of up to \$575,000.

In February 2005, the defendant sought a \$581,000 refinance loan from First Savings Mortgage Corporation, using as collateral his house at 1325 Independence Avenue SE, which was already encumbered with the home equity line of credit from Wells Fargo. First Savings Mortgage Corporation approved the loan on the condition that the Wells Fargo line of credit would be paid off and closed and the lien in the public record be "released" so that no additional money could be borrowed on the Wells Fargo line of credit, and so that there would be no other loans that would take precedence over the First Savings Mortgage Corporation loan.

After settlement, Sneijder paid off the Wells Fargo line of credit but did not close it. Thereafter, from March 2005 to November 2006, he again borrowed money against the Wells Fargo line of credit. He obtained cash advances up to approximately \$558,000 by the end of November 2006.

In May 2006, Red Box Settlements handled a real estate closing for a client. As part of the settlement, Red Box received approximately \$396,000 as the sales proceeds into its escrow exchange account held in trust for the client. However, from May 2006 to November 2006, the defendant took approximately \$216,000 from the escrow exchange account to pay his personal and business expenses without permission and authority of the client.

Then, in November 2006, the client purchased another home and asked for the release of his money from the escrow exchange account. However, Red Box Settlements did not have sufficient funds in its escrow exchange account to honor the full demand and was unable to remit the client's portion, that is, about \$313,000, directly to him.

Later in November 2006, Sneijder sought a \$675,000 loan from Wachovia Bank using as collateral 1325 Independence Avenue SE, which was already encumbered with the Wells Fargo home equity line of credit and the First Savings Mortgage Corporation loan. Wachovia approved the loan on the condition that the Wells Fargo line of credit would be paid, closed, and the Recorder of Deeds be notified of the closure so that no additional money could be borrowed on the Wells Fargo line of credit. The defendant paid down less than half of the line of credit, and again failed to close the Wells Fargo account. From January to August 2007, Sneijder again continued to borrow money against the Wells Fargo line of credit for a total amount due and owing of approximately \$573,000.

Sneijder failed to repay the approximate \$573,000 Wells Fargo line of credit, the \$581,000 First Savings Mortgage Corporation loan, and the \$675,000 Wachovia loan, resulting in foreclosure of 1325 Independence Avenue SE, the proceeds of which were insufficient in value to repay the approximate \$1,829,000 loaned to the defendant.

In announcing the sentence, U.S. Attorney Machen and Assistant Director in Charge McJunkin commended the work of those who investigated the matter for the FBI's Washington Field Office, including Special Agents and Forensic Accountants. They also cited the efforts of those who worked on the case from the U.S. Attorney's Office, including Paralegal Specialists Diane Hayes and Sarah Reis, and Assistant U.S. Attorney Daniel Friedman. Finally they acknowledged the work of Assistant U.S. Attorney Virginia Cheatham, who prosecuted the case along with the office's Asset Forfeiture and Money Laundering Section.